



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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FCC Resolves Dispute Over Wireless Service in Rural Areas

Agency Action Bars Future Wireless Termination Tariffs

Washington, D.C. – The Federal Communications Commission today resolved a dispute over how local wireline companies get paid to complete calls from wireless carriers.

The FCC denied a petition filed by a coalition of wireless carriers asking the agency to find that state wireless termination tariffs filed by local exchange carriers, or LECs, were illegal. These tariffs set the rates paid by a wireless company to terminate a wireless call on a LEC's network in the absence of a negotiated rate.

On a prospective basis, however, the Commission amended its rules to prohibit such tariffs in the future. Furthermore, existing state wireless termination tariffs will no longer apply under the amended rules. Wireless carriers and incumbent LECs will instead be required to negotiate interconnection agreements. Such negotiated agreements between carriers are more consistent with the pro-competitive process and policies of the 1996 Telecommunications Act.

The FCC acknowledged that some LECs have had difficulty collecting compensation from wireless providers because they were not required to negotiate interconnection agreements or submit to arbitration before state commissions. In light of its decision to prohibit the use of tariffs, the FCC's new rules compel wireless providers, on request, to negotiate interconnection agreements with LECs in good faith and submit to arbitration by state commissions.

Disputes over intercarrier payments for wireless traffic in rural areas have increased dramatically over the past few years. In some cases, the disputes have threatened service disruptions.

The disputes have arisen in part because wireline and wireless providers define their local calling areas differently. The current system of intercarrier compensation doesn't easily reconcile this disparity. The Commission is in the process of reforming the system in an ongoing rulemaking proceeding.

Action by the Commission, February 17, 2005, by Declaratory Ruling and Report and Order (FCC 05-42). Chairman Powell, Commissioners Abernathy, Copps, Martin and Adelstein.

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